

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

SECURITIES INVESTOR PROTECTION  
CORPORATION,

Plaintiff,

v.

BERNARD L. MADOFF INVESTMENT  
SECURITIES LLC,

Defendant.

Adv. Pro. No. 08-01789 (SMB)

SIPA Liquidation

(Substantively Consolidated)

In re:

BERNARD L. MADOFF,

Debtor.

IRVING H. PICARD, Trustee for the Liquidation of  
Bernard L. Madoff Investment Securities LLC,

Plaintiff,

v.

ZWD INVESTMENTS, LLC,

Defendant.

Adv. Pro. No. 10-04374 (SMB)

**STIPULATION AND ORDER AS TO UNDISPUTED TRANSFERS**

The plaintiff, Irving H. Picard, trustee (“Trustee”) for the substantively consolidated liquidation of Bernard L. Madoff Investment Securities (“BLMIS”) and the estate of Bernard L. Madoff, individually (“Madoff”), and defendants, ZWD Investments, LLC (the “Initial Transferee Defendant”), by and through their respective, undersigned counsel (collectively, the “Parties”), state as follows:

**WHEREAS**, as set forth in greater detail below, BLMIS and/or Madoff made certain initial transfers (“Initial Transfers”) to or for the benefit of Initial Transferee Defendant relating to Account No. 1Z0027 held at BLMIS and/or Madoff in the name of ZWD Investments, LLC.

**WHEREAS**, in Count One of the Trustee’s Complaint, the Trustee seeks to avoid and recover the Initial Transfers or their value as fraudulent transfers pursuant to, *inter alia*, sections 548(a)(1)(A), 550(a) and 551 of the United States Bankruptcy Code, 11 U.S.C. §§ 101 *et seq.* (the “Bankruptcy Code”), 78fff-2(c)(3) of the Securities Investor Protection Act (“SIPA”);

**WHEREAS**, the Initial Transferee Defendant has raised certain defenses to the Trustee’s claims in the Complaint; and

**WHEREAS**, the Parties have conferred in an attempt to resolve, where possible, certain differences and disputes between them, and the parties are entering into this stipulation in the interest of efficiency to avoid unnecessary litigation over discovery disputes;

**NOW, THEREFORE**, the Parties agree and stipulate to the following undisputed facts:

1. Defendant ZWD Investments, LLC maintained an account at BLMIS denominated as Account No. 1Z0027 (the “Account”).
2. Columns 1-8 of Exhibit B to the Trustee’s Complaint, which are incorporated herein by reference and attached hereto as Exhibit 1, accurately reflect the complete history of the transactions the Account.
3. Column 4 of Exhibit B to the Complaint, which is incorporated herein by reference and attached hereto as Exhibit 1, accurately reflects all deposits made into the Account.
4. Column 5 of Exhibit B to the Complaint, which is incorporated herein by reference and attached hereto as Exhibit 1, accurately reflects all withdrawals from the Account.

5. Column 10 of Exhibit B to the Complaint, which is incorporated herein by reference and attached hereto as Exhibit 1, accurately reflects the funds received by the Initial Transferee Defendant from December, 2006 through October, 2008.

6. Initial Transferee Defendant stipulates to receipt of the following transfers from BLMIS and further stipulate that those transfers were deposited into a Citibank Bank, N.A. account in the name of ZWD Investments, LLC, Account No. 59183374:

a. 10/7/2008 - \$60,000.00

7. Defendant ZWD Investments, LLC is solvent and has the ability to repay the full amount of the Initial Transfers. In an effort to obviate the need for discovery into any subsequent transfers of any funds that the Initial Transferee Defendants withdrew from the Account between December 11, 2006 and December 11, 2008, ZWD Investments, LLC hereby undertakes to preserve sufficient assets to repay the Initial Transfers in full until such time as (i) a judgment is entered in favor of the Trustee for the recovery of the Initial Transfers or a portion thereof, or (ii) this adversary proceeding is dismissed with prejudice. ZWD Investments, LLC has provided current financial records demonstrating, to the satisfaction of the Trustee, its ability to repay the Initial Transfers. However, in the event that the Trustee obtains a judgment that cannot satisfy, ZWD Investments, LLC hereby agrees to identify all subsequent recipients of any funds that the Initial Transferee Defendants withdrew from the Account between December 11, 2006 and December 11, 2008, including providing the names of the recipients, the amounts received, and the dates on which the money was received. Additionally, ZWD Investments, LLC agrees to preserve documents sufficient to show all possible subsequent transfers from the period of December 11, 2006 through December 31, 2009, including, but not limited to, monthly account statements for any account from which such possible transfers may have been made.

8. Upon execution and entry of this stipulation, the Trustee agrees forgo service of subpoenas pursuant to Federal Rule of Civil Procedure 45 (made applicable by Federal Rule of Bankruptcy Procedure 9016) on financial institutions or other third parties and further agrees to withdraw the Rule 45 subpoenas served on Citibank, N.A.

9. By executing this Stipulation, the Initial Transferee Defendant in no way concedes or admits liability under Bankruptcy Code sections 548, 550 or any other applicable section of the Bankruptcy Code, the DCL, SIPA or any other applicable law.

10. This Stipulation is without prejudice to the Trustee asserting claims to avoid and/or recover any additional or other transfers to the Initial Transferee Defendant and Subsequent Transferee Defendants, including any subsequent transfers of the Initial Transfers, determined through the Trustee's continuing investigation and through discovery.

11. This Stipulation is without prejudice to the Initial Transferee Defendant's to oppose any further claims asserted by the Trustee with respect to additional or other transfers as set forth above.

Dated: New York, New York  
November 16, 2015

/s/ Nicholas J. Cremona

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Liquidation of Bernard L. Madoff  
Investment Securities LLC  
and the estate of Bernard L. Madoff*

/s/ Laura K. Clinton

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*Attorneys for Defendants*

SO ORDERED this 19<sup>th</sup> day of November, 2015.

/s/ Stuart M. Bernstein

HONORABLE STUART M. BERNSTEIN  
UNITED STATES BANKRUPTCY JUDGE